

WASHINGTON (March 9) – Congressman Spencer Bachus (AL-6), who has championed congressional action to reduce executive pay and eliminate bonuses for top executives of Fannie Mae and Freddie Mac, on Friday reacted to FHFA’s new executive compensation program.

“This is a long overdue change and a step in the right direction, and it follows committee passage of a bipartisan bill I’ve sponsored that puts an end to excessive pay packages and lavish bonuses at these two bailed out enterprises,” said Bachus, who serves as Chairman of the House Financial Services Committee. “The taxpayer funded bailout of Fannie Mae and Freddie Mac is the biggest bailout in history. The lavish compensation packages and million dollar bonuses that have been given to top executives of these two failed companies are an outrage to the taxpayers whose assistance is the only thing keeping Fannie Mae and Freddie Mac afloat.”

Congressman Bachus first proposed legislation to suspend compensation packages and eliminate bonuses for executives of Fannie Mae and Freddie Mac in 2010. He reintroduced the bill last year and the Financial Services Committee approved it on November 15, 2011 with an overwhelming bipartisan vote of 52-4.

Under the Bachus proposal, top executives of the Government-Sponsored Enterprises could have earned no more than \$218,978 in compensation last year and would receive no bonus pay.

“The plan announced by the FHFA permits new CEO pay at \$500,000 for Fannie and Freddie. That may be an appropriate level for the private sector, but as long as the GSEs live off the taxpayers these companies are owned by taxpayers and their staff should be paid accordingly,” Bachus said. “That means the lower compensation level in my bill is much more appropriate.”